

# Retiree Activities Office

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## **RAO Newsletter # 2013- 5 - January 9, 2013**

### **What the New Law Changes Mean to You!**

Congress worked long hours before Christmas on the FY 2013 National Defense Authorization Act and returned after a quick holiday break leading to a dramatic New Years Day showdown on legislation to avert the fiscal cliff. The defense bill the president signed into law this week includes many changes to military pay and benefits. The most notable ones you'll see in the next few months:

- 1.7-percent military pay raise, effective Jan. 1, 2013;
- TRICARE retail pharmacy co-payments: Brand-name and non-formulary medications will rise from \$12 and \$25, respectively, to \$17 and \$44 effective Feb. 1. Generic drug co-payments will stay at \$5;
- TRICARE mail-order co-payments: Brand-name and non-formulary medications will rise from \$9 and \$25, respectively, to \$13 and \$43. Generic drugs will continued to be provided by mail at no cost;
- Maintenance medication refills: Sometime later in the spring, probably no sooner than April 1, TRICARE For Life (TFL) beneficiaries will be required to begin a one-year trial of using either the mail-order system or military pharmacies for refills of maintenance medications. Provisions in the law ensure no one will be turned away from a retail pharmacy without enough medication to last until the alternate refill is available. Many generic medications likely will be exempt from the mail/military pharmacy refill requirement; and
- Combat-Related Special Compensation (CRSC): Some combat-disabled military retirees will see a correction (increase) in their CRSC payments. DFAS will do the new calculations and make corrected payments retroactive to Jan. 1, 2013. There's no provision

to provide corrected payments for prior years.

The fiscal cliff legislation the president also signed into law earlier this week means:

- Medicare/TRICARE payments to your doctors didn't suffer a 27-percent cut Jan. 1;
- \$50 billion in threatened additional defense cuts have been fended off for 60 days; and
- Working Americans will see an extra 2-percent payroll tax bite from their 2013 paychecks (the special 2-percent windfall relief during the past several years has expired).

Unfortunately, all the congressional can-kicking means a new triple-witching crisis looms just around the corner. During the next 60 to 90 days, the new Congress must:

- start considering a whole new set of proposals when the administration delivers its proposed FY 2014 budget in February;
- find a way to avoid an additional \$50 billion cut to this year's defense budget that could devastate procurement, maintenance, health care, and support funding;
- appropriate funds to keep the government running for the second half of the current fiscal year (the six-month continuing resolution it's now operating on will expire); and
- provide relief from the statutory ceiling on the national debt that we're projected to hit in two months or so.

Continuing partisan rancor on the Hill virtually guarantees another and very likely much worse fiscal cliff confrontation that's likely to make last year's look like a pillow fight. Issues on the table before spring almost certainly will include more defense cuts and proposals to curtail entitlement programs, including Medicare, Social Security, military and federal civilian retirement, VA benefits, COLAs, and more. Your grassroots input to your legislators during this fight will be more important than ever to protect the military community from being hit with disproportional penalties. (Source MOAA)

NOTE: If you are covered by TFL and need help to enrolling in the mail

order program, contact the RAO on a Tuesday or Thursday morning between the hours of 0730-1100, Our commercial number is 608-242-3115 or our toll free number is 1-800-335-5147 ext 3115.